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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

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November 9, 1992

92-100

Ms. Donna Searcy
Secretary of Federal
Communications Commission
1919 M Street, NW
Washington, DC 20054

Re: Amendment of the Commission's Rules to Establish New Personal
Communications Services

Dear Ms. Searcy:

Transmitted herewith on behalf of Telephone and Data Systems, Inc. or
American Paging, Inc. are an original and eleven copies of its Comments in
the above-captioned proceeding.

In the event that there are any questions concerning this matter.
please communicate with the undersigned.

Very truly yours,


George Y. Wheeler

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of) GEN Docket No. 90-314
Amendment of the Commission's) ET Docket No. 92-100
Rules to Establish New Personal) RM-7140, RM-7175, RM-7617.
Communications Services) RM-7618, RM-7760, RM-7782
TO: The Commission) RM-7860, RM-7977, RM-7978
) RM-7979, RM-7980

COMMENTS OF
AMERICAN PAGING, INC.

American Paging, Inc. ("API"), by its attorneys, submits its comments in response to the Commission's Notice of Proposed Rulemaking and Tentative Decision released August 14, 1992 in the above-captioned proceeding ("PCS NPRM").

API is a wholly-owned subsidiary of Telephone and Data Systems, Inc. It is an active competitor in the paging industry and continues to be a leader in developing advanced paging network capabilities and wide-area paging services. In the early 1980's, API designed a wide-area system connecting the Madison, Milwaukee and Green Bay, Wisconsin MSAs. This was one of the first systems built with the capability to provide wide-area digital display paging. In the past year, API became the first carrier to use satellite interconnection for its comprehensive

statewide paging system serving Florida and adjacent areas. API's vital interest in developing wide-area paging and innovative services is both longstanding and continuing.

API strongly supports the Commission's initiatives to make 900 MHz narrowband PCS a reality with the least possible regulatory delay. The 901-902, 930-931 and 940-941 MHz spectrum proposed to be allocated is unoccupied and can readily be implemented for these valuable new "messaging" services. We strongly support allocation of this spectrum for advanced messaging services and adoption of a regulatory structure which provides for vigorous competition, rapid deployment and flexibility to accommodate technological innovation. In particular, we request that the Commission consider separating the 2 GHz broadband and 900 MHz narrowband portions of its proposed rulemaking so the deployment of 900 MHz narrowband technologies will not be delayed by unresolved issues affecting co-channel shared use of 2 GHz spectrum.

- (1) The Commission Should Allocate 901-902, 930-931 And 940-941 MHz For Narrowband Technologies To Provide Advanced Messaging Services.

We support allocation of 901-902, 930-931 and 940-941 MHz for Advanced Messaging Services ("AMS") which broadly includes

one and two-way messaging communications to deliver enhanced character sets, high/low resolution graphics, video, E-Mail, facsimile, digitized voice, a full range of data products and confirmations of any or all of these services. Two-way voice communications such as for advanced cordless operations, should be prohibited. Considering the substantial PCS spectrum proposed to be allocated in the 2 GHz band for two-way voice and other related capabilities, 900 MHz narrowband spectrum is not needed for such services and should not be permitted to be used in that way.

- (2) There Should Be No Limitation On The Eligibility Of LEC Or Cellular Operators To Hold A 900 MHz Narrowband PCS license.

We support open eligibility because the 900 MHz narrowband spectrum is proposed to be used for the valuable AMS services described above which do not bear any resemblance to the basic two-way voice services provided by LECs and cellular operators. The considerations raised by the Commission in connection with 2 GHz broadband PCS are simply not present here.

- (3) Channelization Should Be Adopted Providing For A Uniform 50 KHz Channel Bandwidth For 20 Paired And 20 Unpaired Channels.

We support the Commission's proposed 50 KHz channelization plan because it provides entry opportunities for numerous and

diverse AMS providers. We are aware that several companies are interested in implementing AMS systems which provide greater bandwidth, in some cases as much as 250 KHz. While we do not want to foreclose all opportunity for these companies to implement their proposed systems, we believe that accommodating a large number of potential applicants based upon 50 KHz channelization will promote numerous and diverse quality service offerings and robust competition. As discussed below, the Commission should permit the aggregation of 50 KHz channels to meet the needs of companies implementing technologies which require greater than 50 KHz bandwidths.

- (4) 900 MHz Licensees Should Be Permitted To Aggregate 900 MHz Narrowband Channels To Permit An AMS Provider As Many As Five 50 KHz Channels In Each AMS Service Areas.

Our proposal to permit aggregation of 900 MHz narrowband channels balances two objectives in this proceeding: promotion of healthy competition and technical flexibility by permitting AMS operators to implement systems with as much as 250 KHz of spectrum. Permitting any AMS licensee to hold as many as five (5) 50 KHz channels is intended to meet the needs of those AMS providers who want to operate with 200 KHz or 250 KHz channelization to acquire the channels necessary to do so.

- (5) Licenses for 900 MHz Narrowband Systems Should Be Granted For Nationwide And Regional Service Areas.

We support use of nationwide and regional service areas for the licensing of 900 MHz narrowband spectrum. Defining these service areas in terms of nationwide and regional operations reflects unmet customer demand for paging/messaging services on a wide-area basis. "Local" paging customers already have numerous paging channels (common carrier and private combined) available to meet their needs. The AMS services to be provided over 900 MHz narrowband frequencies will be an important resource to complement this established "local" paging/messaging capacity.

We propose that 25 percent of the available spectrum be licensed on a nationwide basis. This would permit as many as five paired and five unpaired 50 KHz channels to be licensed for nationwide service, thereby assuring a significant level of competition among nationwide AMS providers.

The remainder of the available spectrum should be licensed for use by regional providers. The size of each region should encompass a very large population base to assure the viability of what is expected to be a costly launch of innovative new technologies and AMS services. We support the proposal being submitted concurrently by Telocator to establish five geographic regions for so-called "regional" licensing as reasonably reflecting requirements for this new service.

(6) Private Regulatory Classification Should Be Adopted For 900 MHz Narrowband PCS.

We support classification of 900 MHz narrowband as a private radio service. Such a classification is appropriate in recognition of the highly competitive structure of the paging industry, in general, and the opportunities for numerous competitive 900 MHz providers in all service areas. We also anticipate the vast bulk of usage of the new AMS services will be interstate so that the interests of state and local regulatory bodies in "local" service are not present. And finally, the Commission should consider that AMS, as proposed here, is highly specialized and does not include two-way voice services. Historically, the Commission has permitted such specialized and limited service offerings to be offered on a private basis.

(7) Lottery Selection Procedures Should Be Adopted For 900 MHz Narrowband Licensing Subject To Anti-Speculation Safeguards.

We support use of lottery selection procedures as the most appropriate mechanism for licensing PCS provided effective measures are taken to deter speculative filings. It has proved to be a rapid, efficient and cost-effective selection method and should be used here.¹

¹ We strongly oppose competitive bidding even if it is authorized by Congress.

In order to deter speculation, it is essential that the Commission require all applicants to demonstrate that they are legally and financially qualified. The application required to be filed should be abbreviated as much as possible, but be adequately detailed to disclose at least: (1) ownership of the applicant; (2) interests (direct or indirect, if any) in other competing applications; and (3) a firm financial commitment, provided the commitment exceeds a substantial minimum dollar amount to be determined by the Commission.

In general, the Commission's standards for firm financial showings in its cellular and 220-222 MHz Narrowband rules are adequate but should be supplemented to provide expanded options for companies relying upon internal financing.²

We also support adoption of fully compensatory filing fees which reflect the substantial number of separate facilities to be installed in each service area. The Commission should make a reasonable estimate of the number of transmitter locations per service area and using the prescribed fee structure for private paging base stations calculate the fee to be submitted with each system application.

² See, For example, American Cellular Corp., 103 F.C.C.2d 26, 30-31 (1986); Arnold C. Leong, DA 86-197, released November 14, 1986; Johnstown Cellular Communications Co., DA 86-332, released December 16, 1986; Robert L. Kile, DA 87-72, released January 28, 1987; Gary R. Zipper, DA 87-128, released February 26, 1987; Contel Cellular, Inc., DA 87-824, released July 8, 1987.

Pre-lottery settlements should be prohibited in order to diminish speculative incentives to "game" the lottery process. Eliminating such settlements also should avoid the necessity for the Commission staff to spend time processing pre-lottery settlement filings. This will promote an orderly and prompt lottery selection process.

In the event a lottery winner is disqualified, the Commission should hold a subsequent lottery among the remaining participants of the original lottery. We oppose the alternative approach of selecting a contingent winner as needlessly promoting litigation and delay.

While we support the strongest possible requirements to deter speculation, we are also realistic enough to know that applicants inevitably will be selected who are either unwilling or unable to construct and operate the PCS systems which they have proposed. In the interest of promoting early deployment of AMS, the applicants should be permitted to transfer their PCS licenses at any time after system construction is authorized. The companies who are prepared promptly to deploy PCS systems should be permitted to acquire licenses at the earliest opportunity.

In the absence of any anti-trafficking requirements, the Commission should also adopt a five-year "fill-in" requirement

comparable to current cellular policies, i.e. Sections 22.3 (a)(i) and 22.31 (f) of the Commission's rules, to preclude "warehousing" of 900 MHz spectrum. Speculators who win PCS lotteries should not be permitted simply to "sit on" their licenses while they wait for lucrative offers. The possible loss of all or some part of service area authority should be a strong incentive to transfer sooner rather than later.

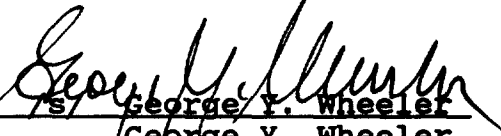
CONCLUSIONS

The Commission is addressing in this proceeding allocations to permit major technological advances which will affect the way the public uses telecommunications well beyond this decade. We applaud the aggressive approach which the Commission has taken to create a regulatory environment which promotes innovation in technologies and services. The Commission should now complete these important initiatives by adopting a regulatory structure which encourages robust competition, open eligibility, rapid deployment and flexibility to develop new and innovative service offerings. There is an urgent need for nationwide and regional allocations of 900 MHz spectrum to implement the new generation

of wide-area AMS Services. The Commission should move as rapidly as possible to permit the implementation of the new services.

Respectfully submitted,

AMERICAN PAGING, INC.

By 
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November 9, 1992

Its Counsel